

# Health Care Premium Rates and Prescription Drug Costs

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# Large Group Aggregate Premium Rates

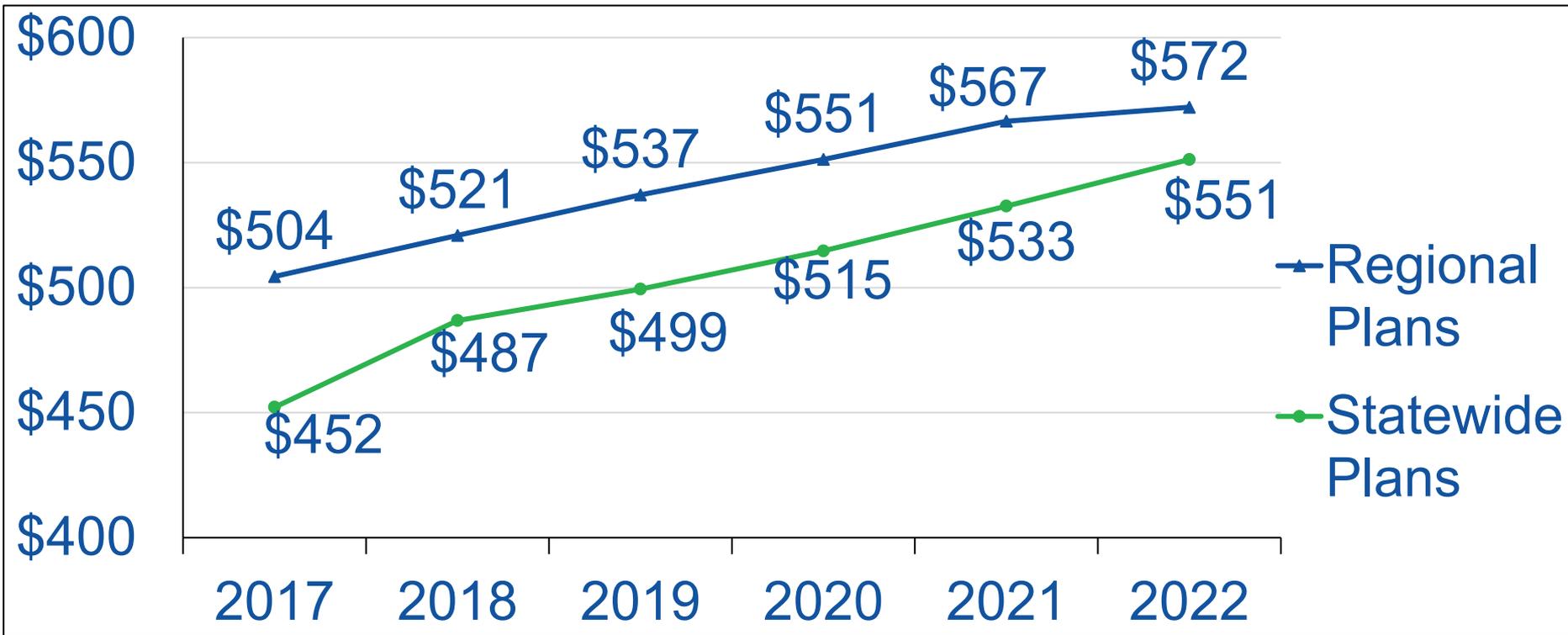
# Summary of 2022 Filing

- 23 Health Care Service Plans were required to file:
  - Eight statewide plans
  - Ten regional plans
  - Five In-Home Supportive Services (IHSS) Plans
- Almost 7.9 million enrollees in roughly 14,500 renewing groups.
- Average premium per member per month was nearly \$552.
- Weighted average rate increase of 4.1%.

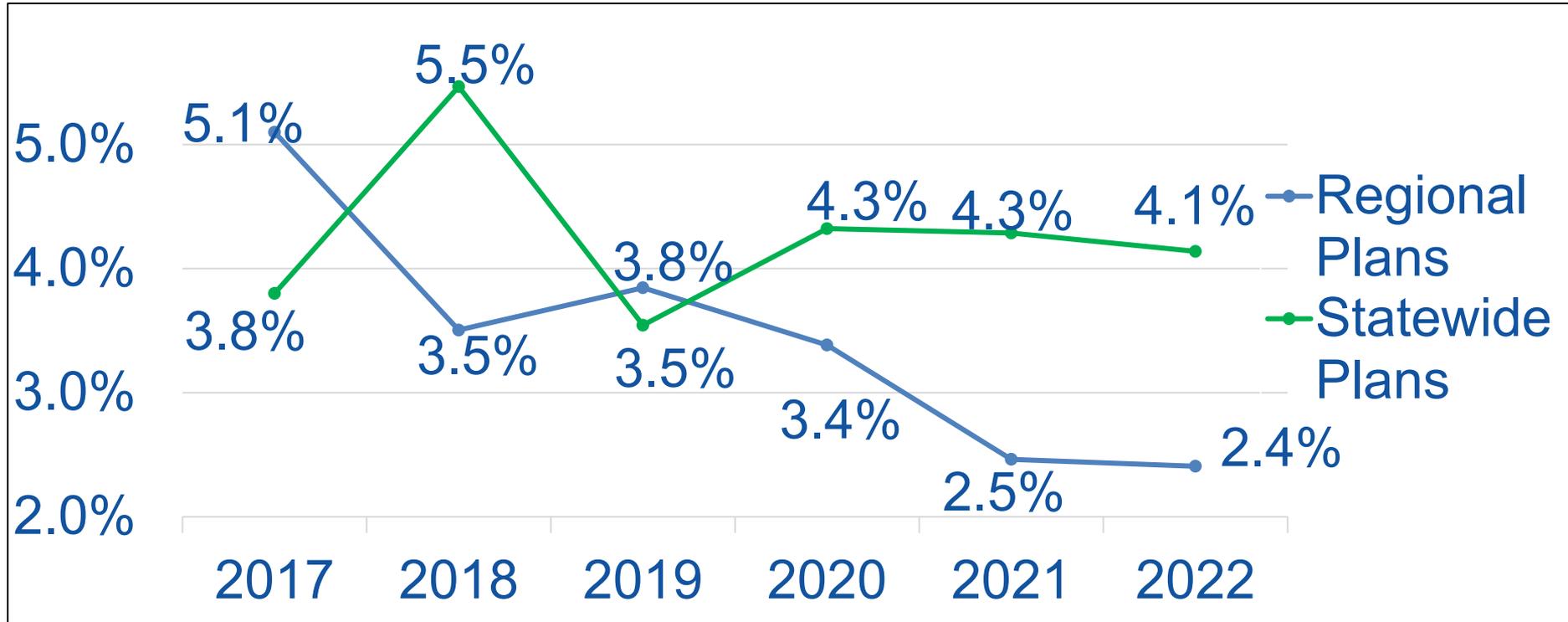
# Rate Increases for Covered California, CalPERS and Large Group Statewide Plans

Year	Covered California	CalPERS	Large Group Plans
2018	21.1%	2.5%	5.4%
2019	8.7%	1.1%	3.6%
2020	0.8%	5.1%	4.3%
2021	0.5%	5.3%	4.2%
2022	1.8%	5.5%	4.1%
2023	5.6%	7.0%	unavailable

# Average Large Group Monthly Premium 2017 – 2022



# Weighted Average Rate Increase Trend 2017 – 2022



# Average Rate Increase in 2022

	Average Rate Increase	Number of Enrollees	Average Premium PMPM
All Health Plans	4.1%	7,877,936	\$551.94
Kaiser	3.6%	5,190,040	\$541.64
All Plans Excluding Kaiser	5.0%	2,687,896	\$571.82

# Average Rate Increase by Product Type

Product Type	Average Rate Increase	Enrollment	Average Premium PMPM
POS	3.5%	61,558	\$634.30
PPO	6.1%	675,271	\$632.78
EPO	6.7%	39,543	\$584.67
HMO	3.9%	6,595,647	\$545.15
HDHP	4.7%	511,886	\$514.50

# Number of Covered Lives by Actuarial Value

Product Type	0.9 – 1.00	0.8 – 0.89	0.7 – 0.79	0.6 – 0.69	< 0.60
HMO	5,595,712	818,340	146,352	34,884	359
PPO	128,851	459,029	69,034	17,413	944
HDHP	2,944	212,288	196,438	94,777	5,439
POS	57,451	3,839	185	83	-
EPO	14,126	21,078	2,545	1,671	123
<b>Total</b>	<b>5,799,084</b>	<b>1,514,574</b>	<b>414,554</b>	<b>148,828</b>	<b>6,865</b>

# Large Group Contractholder Review Request

- The contractholder has a combined total of more than 2,000 enrollees (employees plus dependents) enrolled in all health plans.
- Request the DMHC to review a rate change at <https://wpso.dmhc.ca.gov/LargeGroupRateReview/>
- Request must be made within 60 days of receipt of their rate change notice.

# Small Group Market Aggregate Premium Rates

# Summary of the Small Group Filings

- 14 Health Care Service Plans were required to file:
  - Seven statewide plans
  - Seven regional plans
  - Almost 2.25 million enrollees in small group market

# Average Rate Increase – Small Group Market

Plan Type	Number of Enrollees	Weighted Average Rate Increase	Average Premium PMPM
On-Exchange	78,536	3.5%	\$533.28
Off-Exchange	2,016,053	3.4%	\$561.66
Grandfathered	156,512	3.7%	\$527.41
<b>Total</b>	<b>2,251,101</b>	<b>3.4%</b>	<b>\$558.28</b>

# Individual Market Aggregate Premium Rates

# Summary of the Individual Market Filings

- 12 Health Care Service Plans were required to file:
  - Four statewide plans
  - Eight regional plans
  - Almost 2.4 million enrollees in individual market

# Average Rate Increase – Individual Market

Plan Type	Number of Enrollees	Weighted Average Rate Increase	Average Premium PMPM
On-Exchange	1,840,337	1.2%	\$567.69
Off-Exchange	510,008	2.4%	\$535.10
Grandfathered	47,908	3.0%	\$653.08
<b>Total</b>	<b>2,398,253</b>	<b>1.5%</b>	<b>\$562.46</b>

# Enrollment by Metal Tier – Individual Market (On-Exchange)

Product Type	Platinum	Gold	Silver	Bronze	Catastrophic
HMO	74,968	142,764	775,258	268,897	16,956
PPO	9,107	37,081	207,078	71,734	559
EPO	1,022	9,582	88,133	35,760	2,752
HDHP	-	-	-	98,685	-
<b>Total</b>	<b>85,098</b>	<b>189,427</b>	<b>1,070,469</b>	<b>475,076</b>	<b>20,267</b>
<b>Total (%)</b>	<b>5%</b>	<b>10%</b>	<b>58%</b>	<b>26%</b>	<b>1%</b>

# Enrollment by Metal Tier – Individual Market (Off-Exchange)

Product Type	Platinum	Gold	Silver	Bronze	Catastrophic
HMO	33,714	31,510	84,731	42,519	4,421
PPO	15,670	40,514	136,903	28,542	1,462
EPO	837	2,358	16,086	10,585	1,881
HDHP	-	-	12,343	45,932	-
<b>Total</b>	<b>50,221</b>	<b>74,382</b>	<b>250,063</b>	<b>127,578</b>	<b>7,764</b>
<b>Total (%)</b>	<b>10%</b>	<b>15%</b>	<b>49%</b>	<b>25%</b>	<b>1%</b>

# Summary of the Prescription Drug Cost Transparency Report for Measurement Year 2021

# Key Findings

- Health plans paid more than \$10.8 billion for prescription drugs in 2021, an increase of almost \$700 million from 2020, and \$2.1 billion from 2017.
- Prescription drugs accounted for 13.3% of total health plan premiums in 2021, a slight increase from 12.7% in 2020.
- Health plans' prescription drug costs increased by 6.6% in 2021, whereas medical expenses increased by 9.2%.  
Overall, total health plan premiums increased by 2.2% from 2020 to 2021.

# Key Findings (continued)

- Manufacturer drug rebates totaled approximately \$1.67 billion, up from \$1.44 billion in 2020. This represents about 15.5% of the \$10.8 billion spent on prescription drugs in 2021.
- While specialty drugs accounted for only 1.6% of all prescription drugs dispensed, they accounted for 62.9% of total annual spending on prescription drugs.
- Generic drugs accounted for 88.2% of all prescribed drugs but only 16.3% of the total annual spending on prescription drugs.

# Questions